DROUGHT IMPACTS TO THE TEXAS BEEF INDUSTRY

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Shrinking U.S. cattle herd signals more pain from high beef prices

Drought in western US forces ranchers to sell cows at fastest pace in decade

Scorching Texas Weather Has Cattle Ranchers Selling Herds in ‘Panic Mode’

‘Something’s gotta give.’ Relentless heat and worsening drought conditions are devastating Texas cattle ranchers

Beef prices set to surge further as farmers sell off cattle herds

More breeding stock is being sent to the sale barn amid soaring input costs and drought conditions
CATTLE INSPECTIONS

Market inspectors collect and report brands and identifying marks across 4M – 5M cattle sold at 100 Texas livestock markets annually.
MARKET INSPECTIONS: 2011 DROUGHT
MARKET INSPECTIONS: 18 MONTH LOOKBACK
MARKET INSPECTIONS: 18 MONTH LOOKBACK
PERCENT CHANGE IN MARKET INSPECTIONS: 2011 VS. TODAY

June 2011
• -18%

July 2011
• 28%

Aug 2011
• 21%

Sept 2011
• 24%

June 2022
• 23%

July
• Unknown

Aug 2022
• Unknown

Sept 2022
• Unknown
SLAUGHTER COW NUMBERS

• Slaughter cow numbers are up from years past
• 2022 has the highest number of slaughter cow numbers when compared to the past 5 years and the 5 year average
FINANCIAL AND ECONOMIC IMPACTS

• Inflation reached 8.5% in July of 2022
• The Eastland Complex, parts of the Panhandle, and Coryell County resulted in $23M in estimated damages alone.
• Impacts extend past limited hay and feed sources, but also the cost of energy and labor required
• Added losses from genetic investments lost from culling
CATTLE PRICES

• Prices matter both during and after droughts
• Current prices are at $140 cwt
• 10 year average is $118 cwt
WHAT WE KNOW

• The industry is making very painful and difficult decisions, culling earlier and deeper than usual

• Input costs are exacerbating the drought and are caused both by inflation and losses from wildfires

• Cattle prices are relatively strong, which may help producers more easily rebuild their herd in future years
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